

Green & Mean

Forget about those puny gas sippers. The hybrid in your future is all about hot-rod horsepower. How carmakers are re-engineering the clean machine

By Keith Naughton

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Nov. 22 issue - Avnish Bhatnagar has always lusted after fast cars like racy BMWs. But when the California computer programmer and his wife had their first baby this year, they needed something more practical. A minivan was out of the question. So Bhatnagar, 35, searched online and found an SUV with neck-snapping speed and enough room for the baby stroller. What is this souped-up SUV? A Lexus RX 400h gas-electric hybrid. That's right. A hybrid. Those quirky cars that run on batteries as well as gasoline. But this hybrid is no golf cart. It packs 270 horsepower, making it one of the fastest cars in the Lexus lineup. Oh, and it goes 500 miles on a tank of gas and doesn't foul the air. He'll have to be patient, because the 400h doesn't go on sale for five months. For now, Bhatnagar will just have to dream of that electric power surge as he leaves other drivers in the dust. "If the 400h had less horsepower," he says, "I'd be far less interested in it."

Start your engines: the age of the hot-rod hybrid has arrived. No longer a funky little science experiment, hybrid cars are growing up and going mainstream. The megawatt success this year of the 60mpg Toyota Prius finally made hybrid cars legit in the land of the SUV. But now comes the auto industry's real killer app: hybrid cars that boost horsepower while pinching pennies at the pump. Forget about sacrifice; the coming wave of new hybrids is all about getting more—more power, more mileage, more credit for saving the planet. Of course, you also pay more—currently about \$3,500 extra. And at that rate, getting a payoff at the pump takes years. But analysts predict prices will come down as sales go up. And carmakers are banking on their compelling new pitch—drives great, less filling—to take hybrids to the masses. No longer will they be bizarre larvashaped cars for tree huggers and techno-geeks. The coming wave of hybrids will be versions of the cars, SUVs, minivans and pickups we already drive. The first of these have-your-cake-and-eat-it models arrives next month, when Honda rolls out a 255-horsepower Accord hybrid that races from 0 to 60mph in 6.5 seconds and still gets 37mpg on the highway. The only way to tell this stealth hybrid from a regular Accord: a subtle spoiler on the trunk. Next summer Toyota will debut a highpowered Highlander hybrid SUV. "It will be like enjoying a hot-fudge sundae," promises Toyota sales exec Don Esmond, "without the calories or the guilt."

It's a helpful analogy, since Americans seem to feel the same way about cars that they do about food. Just as we're a nation of obsessive dieters who keep getting fatter, we can't seem to stop ourselves when it comes to driving big-gulp cars. Lately, with the war in Iraq raging and gas prices soaring, it's become fashionable to talk about kicking our 4 million-barrel-a-day foreign-oil habit. Yet even with \$2-a-gallon gas, SUV sales are up 5 percent this year. And the 20.8mpg average of new models today is at its lowest level in two decades, while the power under the hood has doubled. The new high-performance hybrids, though, are sort of like Atkins—indulge yourself and still look trimmer. Or, in this case, bump up your gas mileage even as you squeal the tires. By redefining the hybrid as a marriage of vice and virtue, carmakers could create a vast new market the way SUVs did in the '90s, minivans did in the '80s and Japanese cars did in the '70s. But this time, instead of tinkering with the size and shape of our ride, automakers are re-engineering what drives the car by appealing to what drives us as consumers. "These cars speak to our emotions and rationalizations," says psychologist Margaret Krikorian of auto consultant Iceology. "It's like being smart and beautiful."

Transforming hybrids from 98-pound weaklings into muscle cars did not require reinventing the wheel. It just took the forehead-slapping realization that hybrids can be much more than gas

sippers. After all, carmakers have always known that horsepower trumps fuel economy. In surveys, car shoppers rank horsepower in the top five reasons to buy, while gas mileage doesn't crack the top 10, even with the run-up in pump prices. When Honda and Toyota introduced the first hybrids in America five years ago, buyers were turned off by their lack of power and size. So now automakers are giving up some gas mileage in exchange for horsepower. The basic idea behind hybrids remains the same: couple an electric motor with a gas engine to boost mileage and reduce tailpipe pollution. The new twist, though, is to mate those gas-saving electric motors with bigger engines that many drivers demand for boat towing or off-roading. And engineers are now tuning the electric motors to create warplike torque—the off-the-line speed that pushes you back in your seat. "You can make these cars extremely fast or extremely fuel-efficient," says Lexus exec Denny Clements. "It's all just software." The downside to this re-engineering: instead of a 40 percent bump in mileage, you could get half that or less. That doesn't thrill enviros, but some see the glass as half full. "The alternative to a performance hybrid," says the Sierra Club's Dan Becker, "is a performance guzzler."

Eventually, car buyers will have the option to choose hybrid power on virtually any model in the same way they now can opt for a V-6 or V-8 engine. Over the next three years, just about every major automaker will introduce hybrid versions of cars that are already household names. By 2008, auto researcher J.D. Power predicts that car buyers will have a choice of 35 different hybrids—everything from a Nissan Altima to a Honda Odyssey minivan to a big Chevy Tahoe SUV. By 2012 the menu will grow to 51 models. Porsche and BMW are working on putting the technology into their SUVs. Mercedes promises to have a version on the market in five years. Lexus is even considering a \$100,000 hybrid sports car.

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Estimates of how big the hybrid market will get have risen faster than gas prices. Oak Ridge Labs puts it at 1.2 million cars by 2008, a sixteenfold increase from this year. The biggest roadblock remains the \$3,500 premium. But as more models compete for buyers, auto execs expect that to shrink to about \$2,500 in two years and eventually to drop as low as \$1,000. "For \$1,000," says auto consultant Wes Brown, "who in their right mind would not to go for a hybrid?"

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